

MIT Arts, Commerce & Science college, Alandi

Question Bank: F.Y. B.B.A. Sem II

Subject: Principles of Finance

CHAPTER 1: Basic Concepts of Finance

1. Differentiate between:
Fixed Assets and Current Assets
2. Write short notes on:
Role of finance manager
3. Questions:
 1. What is the scope of Financial Management?
 2. Explain the essentials of a goods financial plan.
 3. Write a short note on Budget.
 4. Enumerate the steps involved in Financial planning. What is significance of financial planning?
 5. Explain the advantages and limitations of Financial planning?
 6. Give a brief account of a various types of plans.

CHAPTER 2: Financial planning

1. Explain the concept of Financial Planning?
2. What are the objectives of Financial Planning?
3. Briefly enumerate the Principles of a good financial Plan?
4. Discuss the major areas of financial planning?
5. short notes on: Limitations of Financial Planning.

CHAPTER 3: Capital Structure

1. What is optimum capital structure?
2. Explain the factors that determine the capital structure of a firm?
3. What are the criteria of appropriate capital structure?

CHAPTER 4: Capitalisation

2. What are the causes of overcapitalization? How can it be corrected?
3. What are the causes of undercapitalization? What are the remedial measures?

CHAPTER 5: External Sources of Finance

1. Differentiate
 - (a) Ordinary shares and Preference shares
 - (b) Share and Debenture
 - (c) Term loan and Debenture
 - (d) Rights and Sweat Equity Shares
 - (e) Public Deposits and Debentures
 - (f) Cash Credit & Loan
 - (g) Loan & Overdraft.
2. Write short notes
 - (a) Preemptive rights
 - (b) voting rights of ordinary shareholders
 - (c) Loan Syndication
 - (d) Bridge Loan
3. Explain the sources of finance suitable for financing the purchase of fixed assets.

CHAPTER 6: Internal Sources of Finance

1. Differentiate between:

- (i) Internal sources of Finance and External Sources of Finance
- (ii) Cash Dividend and Stock Dividend
- (iii) Final Dividend and Interim Dividend
- (iv) Preference Dividend & Equity Dividend
- (v) Reserve and Provisions

2. Questions

Write short notes on: Bonus shares

3. Explain the guidelines issued for 'Bonus issue' for SEBI

4. What are the advantages of Bonus issue.